

Canadian Uranium company buys whole town in southern Utah

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TICABOO, Utah _ Canadian mining company Uranium One Inc. (TSX:UUU) that bought a mothballed uranium mill in southern Utah has now acquired the entire private community.

Toronto-based Uranium One bought the town for its housing. The property includes mobile home and recreational vehicle parks, the infrastructure for a housing subdivision, a restaurant and convenience store. The deal even came with a boat.

Wyoming-based U.S. Energy Corp. had owned the mill and town and sat on the assets for more than two decades, waiting for the uranium market to rebound. It operated the mill for less than three months in 1982, when the market crashed.

It sold the mill for US\$6.6 million and stock in Uranium One, plus the promise of royalties. The price for the town was \$2.7 million.

``Housing is in limited supply in this area," said U.S. Energy chief executive Keith Larsen, ``and Uranium One has recognized the importance of owning a fully developed Ticaboo town site to accommodate its employees as it prepares the Shootaring Canyon Mill for full production."

Only half a dozen homes have been built at Ticaboo, but Larsen said numerous sites in the mobile-home park are filled by employees of Dennison Mines, which operates a mine about 13 kilometres away. Other employees stay regularly at a local motel.

The demand for housing is expected to emerge when Uranium One wins approval from the Utah Division of Radiation Control to resume mill operations.

``We'll be starting from scratch, so we'll need to hire a work force," said Chris Sattler, senior vice-president of investor relations for Uranium One. ``This town site will provide our work force with a cheaper form of accommodation."

Uranium One has operations in Kazakhstan, South Africa and Australia, and was eager to expand into southern Utah because of its relatively high grade of uranium deposits. Also, Utah is a hedge against political instability in less-developed countries.

Ticaboo is a Paiute word meaning ``friendly."

On the Toronto Stock Exchange on Tuesday, Uranium One's shares closed down 22 cents, or 1.70 per cent, at C\$12.73 on 6,569,295 shares traded.

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